



State of Wisconsin
Department of Commerce
(DUNS No. 80-903-6098)

2005-2009 Consolidated Plan

Including the 2005 Annual Action Plan

Summary

**For the State's Housing, Community
and Economic Development Needs**

State of Wisconsin ■ Jim Doyle, Governor
Department of Commerce ■ Mary P. Burke, Secretary

INTRODUCTION

This *2005-2009 Consolidated Plan*, referred to as the *Plan* and covering a period of 5 years, represents significant planning and application efforts by the State of Wisconsin to secure federal funds earmarked to meet the critical housing and community needs of the State's citizens. The funds, which in a typical year total \$50 million, are available through four formula grant programs of the U.S. Department of Housing and Urban Development (HUD). These resources play a key role in making Wisconsin's non-entitlement communities a better place to live.

The *2005-2009 Consolidated Plan*, effective from April 1, 2005, through March 31, 2010, serves many objectives. It is the State of Wisconsin's application to HUD for the Small Cities Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA).

The Plan promotes program coordination, sets forth priorities, and serves as a guide in coordinating the delivery of limited housing, community and economic development resources to meet the needs of various program clientele.

The Plan further strengthens the working relationships of federal, state, and local governments and organizations working to provide decent housing, suitable living environments and expand economic opportunities for very low, low, and moderate-income persons. The Plan is a culmination of an extensive participatory process, which included seven public roundtables (over 175 individuals attended), numerous individual group meetings, the receipt of more than 65 written comments for the 2005-2009 Plan preparation. The valuable input received through the information gathering process, allows us to improve program effectiveness and coordination, as well as identify areas that need further attention to help address unmet needs.

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Introduction

This Summary highlights key points and overall themes, and the six main parts of the Consolidated Plan. The six parts are:

- *Part I: Coordinating and Managing the Process*
- *Part II: Citizen Participation*
- *Part III: Housing and Community Development Needs*
- *Part IV: Housing and Community Development Priorities*
- *Part V: Action Plan -- One-Year Use of Funds*
- *Part VI: Outcome Measurement System*

Part I: Coordinating and Managing the Process

The Wisconsin Department of Commerce is the agency responsible for developing the Consolidated Plan and its related documents since it administers all four U.S. Department of Housing and Urban Development (HUD) formula programs covered by the Plan.

The Plan, submitted to HUD using the CPMP tool (an electronic template developed and supported by HUD Field Office staff), represents a dramatic departure in the format, size and philosophy from previous plans. The Plan incorporates an outcome measurement system, consisting of overarching objectives, outcome categories and output indicators. The system, developed jointly by the Council of State Community Development Agencies, HUD and the Office of Management and Budget (OMB), will enable the State to better assess and manage programs and significantly improve reporting program benefits to Congress and OMB.

Input into the development of the Consolidated Plan involved State agencies, including the Department of Administration; Department of Health and Family Services (DHFS); Department of Workforce Development (DWD); Department of Veterans Affairs (DVA); and the Wisconsin Housing and Economic Development Authority (WHEDA); as well as non-profit housing providers, local governments and other private organizations and citizens.

Part II: Citizen Participation

The State has consulted with a wide range of public, private and non-profit agencies in preparation of the Consolidated Plan. The State sent out Consolidated Plan information letters to over 2,000 public and private groups to encourage attendance at seven regional roundtables and request written or email feedback. State agencies, local governments, trade associations, non-profit organizations and citizens were contacted. Over 175 individuals attended the roundtables and 66 different groups and individuals submitted written prior to drafting the plan. Consolidated Plan information was posted on the COMMERCE internet site and individuals could submit Plan comments and suggestions via the site.

On February 10, 2005, Commerce published a notice in the Wisconsin State Journal regarding the public hearing being held on February 24, 2005. Seven individuals registered at the public hearing. On February 28, 2005, Commerce published a notice in the Wisconsin State Journal regarding the 30 day public comment period for the draft Plan. Commerce provided a reasonable number of free copies of the Plan, including available copies at all major libraries; and took other actions to ensure that citizen voices were heard in the process. Any amendments to the Plan and performance reports will be subject to public review, as well.

Part III: Housing and Community Development Needs

Wisconsin's population had the second highest numerical growth in the decade between 1990 and 2000. The State's population of 5,363,675 in 2000 was an increase of 471,946 residents from the 1990 level. That represents a 9.42% increase for the decade compared to a national growth rate of 13.1%. The highest numerical growth (518,000) occurred during the 1950s. While the 1950s growth was due to natural increases (difference between births and deaths), growth during the 1990s was equally divided between natural increases and net migration. The WI Department of Administration estimates that in 2005, the State's population will reach 5.5 million.

The composition of the State's population continues to see increases in the elderly population with the birth rate remaining steady. Wisconsin's elderly population (age 65+) is estimated to be 719,262 in 2005 and grow to 766,626 by 2010 when it is projected that 108,457 residents will be over the age of 85. The Department of Health and Family Services (DHFS) estimates that 133,500 elderly residents will need assistance with one of more activities of daily living.

During the 1990s Wisconsin experienced relatively small, but significant changes in the racial and ethnic makeup of its population. The persons of color (non-White and /or Hispanic) share of the State's population rose from 7.8% in 1990 to 11.1% in 2000.

According to 2003 U.S. Census Bureau estimates, the number of people in Wisconsin living below the poverty level increased to 528,000, a 10-year high, and included 187,000 children. With 9.8% of the population living below the poverty level, Wisconsin ranked 36th out of the 50 states and below the national figure of 12.5%.

According to the National Low Income Housing Coalition study Out of Reach, 2004, Publication an individual in Wisconsin would need to earn \$12.22 per hour working 40 hours a week to afford the HUD fair market rent for a two bedroom unit at 30% of income. Households in the low-income range have great difficulty finding adequate housing within their means and that accommodates their needs.

The UW Extension publication, Wisconsin Families and the Communities Where They Live 2004, notes that in the last decade, the cost of housing has consistently outpaced inflation. While the Consumer Price Index climbed by 17.8%, housing costs rose at more than twice the rate of other expenses. In addition, although housing costs have been increasing for everyone, incomes have not. From 1990 to 2003, incomes of households in the top fifth of the income range rose 30%, while incomes of households in the second from the bottom fifth rose only 8 %, and incomes for households earning the least (bottom fifth of the income range) rose only 2%.

The DHFS projects that number of people with physical disabilities will grow from 354,722 in 2005 to 373,654 in 2010. The number of persons with a sensory disability will grow from 154,733 in 2005 to 163,210 in 2010. Financing for housing rehabilitation and modification to allow persons with disabilities to function independently or make homes accessible will continue to be a critical need.

In 2000, the U.S. Census Bureau reported that Wisconsin had 2,321,144 housing units compared to 2,055,774 in 1990 - a 12.9% increase (265,370 units) over 10 years.

The 2000 Census dated also reported that 211,912 households had an income at or below 30% of MFI and that these households were the group primarily affected by housing problems¹ where 74.7% of the renters and 77.1% of the owners had housing problems. Overall minority rental and owner households tended to have higher incidences of housing problems than White non-Hispanic households and housing problems were more prevalent in metropolitan areas.

Part IV: Housing and Community Development Priorities

The Plan addresses the overall strategy for addressing a variety of housing, community, and economic development needs. The focus of the activities and strategies described in this Plan is on the evolving needs of low and moderate-income persons, including persons with special needs. A central theme throughout this Plan is the development of strategies offering flexibility with accountability.

This Plan clearly recognizes the efforts of COMMERCE, in partnership with other local, state and federal entities sharing common goals and interests. These other entities also include tribes, local and regional organizations or commissions and non-profit and for-profit corporations.

The response to the identified housing and community development priority needs must be broad-based and sensitive to local markets that are both economically and geographically diverse.

Housing

- Areas of special focus will include promotion of residential rehabilitation; rental assistance; and assistance for the homeless and special needs populations, with the highest priority of investment for households at the very low-income level. More specifically, there should be:
 - Support of maintenance, preservation, and purchase and rental of affordable housing to all households, especially those with severe residential cost burdens;
 - Adequate production of affordable units, including those for large families and persons with disabilities;
 - The maintenance of safe, sanitary housing for low- and moderate-income owners and renters including lead based paint hazard reduction;
 - Housing and supportive assistance for special needs groups, including migrant and immigrant resettlement, homeless prevention activities, expanding transitional/permanent housing and long term residential care options;
 - Support for efforts to preserve affordable rental units at greatest risk of loss due to expiring use;
 - Promotion of Energy Star® improvements and installations and other energy efficient and renewable energy technologies in housing;
 - Advancement of fairness and accessibility for low-income housing consumers through supporting anti-predatory lending efforts and information dissemination, enforcement and compliance with fair housing laws; and
 - Sustained efforts to provide housing disaster relief and mitigation.

Public Facilities

- Non-housing community development needs are identified as the replacement of deteriorating infrastructure, the provision of otherwise essential community facilities such as community centers, senior centers, special purpose shelters, facilities that provide needed public service such as clinics, libraries, and related activities.

Economic Development

- Increasing economic opportunity in our communities, focusing on both workers and businesses, continues to be of critical importance. Job creation and retention, education, job training, and skill development programs to prepare workers for jobs continue to be a priority. However, Commerce is expanding the focus of ED program eligibility to include all of the national objectives: low and moderate-income benefit, urgent local need, and the prevention or elimination of slum and blight. Assisting business to investing in new technology, establishing a statewide system to support entrepreneurial development, encouraging the best use of local revolving loan fund resources, and addressing a wider variety of needs critical to developing long term employment opportunities will also be priorities. Economic assistance and loans to attract new business and retain and expand existing ones are key to Governor Doyle's Grow Wisconsin strategy.

Attendees at the Roundtable discussions held throughout the state for purposes of this plan repeatedly stressed two issues:

- ✓ The connections between community housing, public facilities and economic development is important. Without adequate infrastructure, housing quantity and quality suffers. Without adequate infrastructure, economic development is limited. Without adequate housing, infrastructure and economic investment, a community's downtown deteriorates and results in disinvestment, a dwindling labor force due to out migration, and declining tax base make it difficult for localities to thrive.
- ✓ A better understanding, locally, of the state-level programs and resources (Commerce, WHEDA and USDA Rural Development) available to address housing, community and economic development needs. With limited staff and shrinking budgets, knowing how these numerous programs can work together more efficiently and effectively would greatly benefit local governments and organizations.

Efforts will be extended to insure maximum state coverage of program resources. Emphasis shall also be placed on enhancing local capacity building and on integrating program resources as opportunities and situations arise in disadvantaged and under-served areas.

Proven program approaches as well as efforts to improve strategies and explore more efficient and effective approaches to address community needs will be pursued for the first year of the Plan and for subsequent years to maximize responsiveness.

- The Department will work with up to 4 non-entitlement municipalities on a pilot project basis to promote comprehensive community development. Strategies, developed in collaboration with a full range of citizens, community organizations, businesses and other state and regional agencies, will support and assist projects that are integral to enhancing the quality of life and improving the vitality and sustainability of the community.
- The Department will expand on collaborative efforts with WHEDA, HUD, and USDA Rural Development to address special housing and economic development opportunities and sponsor basic training for local officials to increase knowledge of and access to available state and federal community development programs and resources.

Part V: Annual Plan -- One-Year Use of Funds (2005-2006)

Annual Plan April 1, 2005 - March 31, 2006

NEW RESOURCES

**HUD COMMUNITY PLANNING AND DEVELOPMENT
FORMULA ALLOCATION PROGRAMS**

Program	HUD Authorization	Program Income/ Recaptured Funds	TOTAL FUNDS	Fiscal Year of HUD Authorization
Community Development Block Grant (CDBG)	\$31,491,158	\$2,565,000	\$34,341,158	FY'05
<i>Housing*</i>	<i>9,447,358</i>	<i>65,000</i>	<i>\$9,512,358</i>	<i>FY'05</i>
<i>Community Development*</i>	<i>11,021,900</i>	<i>2,500,000</i>	<i>\$13,521,900</i>	<i>FY'05</i>
<i>Economic Development,</i>	<i>11,021,900</i>		<i>\$11,021,900</i>	<i>FY'05</i>
Home Investment Partnership Program (HOME)	\$13,099,187	0	\$13,099,187	FY'05
ADDI 2005	\$ 486,794	0	\$ 486,794	FY'05
Emergency Shelter Grants (ESG)	\$ 1,932,083	0	\$ 1,932,083	FY'05
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 383,000	0	\$ 383,000	FY'05
TOTAL REVENUE-HUD CPD PROGRAMS	\$47,392,222	\$2,565,000	\$49,957,222	

**Up to \$3,000,000 in CDBG funds set aside for the CDBG Emergency Assistance Program (CDBG-EAP). These FFY'05 funds will be available to the EAP program until the FFY 06 funds are issued*

CDBG Program:

- \$31,491,158 available in Federal FY'05 formula allocations
- funds available to "Small Cities" (local units of government that do not receive direct HUD CDBG entitlement allocations)
- in rare cases, funds may be used in entitlement areas if a project can document significant regional or statewide impact

Economic Development:

- approximately \$11 million available for Economic Development activities
- funds available through an application process to:
 - ✓ local governments for loans to businesses in order to create or retain jobs; businesses must at least match CDBG financing dollar-for-dollar
 - ✓ local governments for awards to businesses for broad training needs
 - ✓ local governments for awards to businesses for capital investment in new technologies
 - ✓ support a statewide system of entrepreneurial development
- Commerce will award an estimated 20 loans which will assist in creating or retaining approximately 1,000 new jobs, 510 of which shall be for low- and moderate-income workers

- Commerce will also make awards (grants, loans and/or equity investments) for employee training, fixed asset and working capital financing, and other activities allowed under the federal guidelines.

Housing:

- approximately \$9.5 million available for Housing activities including FY'05 HUD authorization funds and \$65,000 (estimate) program income and recaptured funds
- funds available through an application and random selection award process to local governments
- eligible activities: owner-occupied and renter-occupied rehabilitation, accessibility modifications, homestead (down-payment and closing cost assistance, combined in some situations with rehabilitation), new housing site development and certain acquisition costs, small-scale public facilities improvements
- up to \$750,000 for special project initiatives (available on a continuous basis)
- CDBG Housing will assist approximately 600 households in 2005-2006

Community Development:

- approximately \$13.5 million available for Community Development activities including FY'05 HUD authorization funds and \$2.5 million (estimate) program income and recaptured funds
- funds available through an application process to local governments
- funded projects relate to:
 - Public Facilities:
 - ✓ assist local communities in financing of public infrastructure and buildings (water and sewer transmission and treatment, streets, parks, curbs and sidewalks; handicapped access projects for municipal facilities, and municipally owned and operated public facilities) that serve primarily low- and moderate-income persons
 - ✓ up to \$7 million will be awarded to an estimated 15-18 communities
 - ✓ grants will benefit an estimated 18,000 households, of whom approximately 9,500 will be of low- or moderate-income
 - Public Facilities for Economic Development:
 - ✓ assists local governments in financing infrastructure (water and sewer transmission and treatment, streets, curbs and sidewalks) that directly supports business expansion, increased employment opportunities, and adding to municipality's tax base
 - ✓ up to \$3.6 million will be awarded to an estimated 12-15 communities
 - ✓ grants will assist in creating or retaining approximately 400 jobs, 250 of which will be for low- and moderate-income workers
 - Preservation and Blight Elimination:
 - ✓ funds are primarily available to communities with established Main Street programs
 - ✓ assist communities in partnership with Main Street organizations and local business organizations that are part of the Main Street initiatives
 - ✓ up to \$.7 million will be awarded to an estimated 7 communities
 - ✓ grants will assist Main Street business retention and expansion, façade treatment and building rehabilitation, as well as other Main Street projects that are CDBG eligible activities
 - Planning Grants:
 - ✓ designed for specific planning program to respond to major local economic or community development proposals or unexpected adverse economic activities that adversely impact the community
 - ✓ funds available through an application process

- ✓ up to \$350,000 will be awarded to an estimated 15-18 communities
- ✓ grants are limited to planning for projects that if implemented are CDBG eligible activities
- Emergency Assistance Program
 - ✓ up to \$3 million are set aside and made available for responding to emergency community development and housing needs necessitated by a disaster.

HOME Program:

- estimated \$13,585,981 (\$13,099,187 HOME + \$486,794 ADDI) available in Federal FY'05 formula allocation
- at least 15% available to Community Based Housing Development Organizations (CHDOs) for providing affordable housing units
- up to \$600,000 available for special projects that assist communities addressing broader community development activities
- funds disbursed by formula and through competitive processes
- funds available statewide (except in HOME entitlement jurisdictions)
- eligible activities: homeowner rehabilitation, homeowner accessibility rehabilitation, renter rehabilitation, rental housing development, home buyer assistance, home buyer lease-purchase assistance, tenant-based rental assistance, and special projects
- continued funding of the Fresh Start initiative that provides at-risk young people with education, skills, and career direction through opportunities for meaningful service in their communities while helping construct affordable housing units for low-income families
- HOME funding will leverage an estimated \$25,000,000 in other private and public funding
- HOME funding will assist approximately 1,100 households in 2005-2006

Emergency Shelter Grant (ESG) Program:

- estimated \$1,932,083 available
- funds available through competitive process to local governments and nonprofit agencies; overall funds allocated on percentage basis to regions of state (up to 28% to metropolitan Milwaukee counties, up to 45% to other metropolitan counties, and 27% to non-metropolitan counties)
- Interest Bearing Real Estate Trust Accounts (IBRETA) receipts to supplement ESG funds
- eligible activities: renovation, rehabilitation, and conversion of buildings for use as emergency shelters or transitional housing for homeless households; provision of essential services Up to 40% of funds with a HUD waiver); payment of maintenance and operations; homelessness prevention (up to 30% of grant);
- ESG funding, combined with State Shelter Subsidy Grants, will provide shelter and prevention services to approximately 36,000 households in 2005-2006

Housing Opportunities for Persons With AIDS (HOPWA) Program:

- \$383,000 in federal FY'05 funding available (separate allocation for Milwaukee metropolitan area)
- funds available through competitive process
- eligible activities: housing assistance—such as support services, rent and utility assistance, security deposits and housing counseling—aimed at preventing homelessness
- HOPWA funding will provide assistance to approximately 225 households in 2005-2006

2005-2009 WISCONSIN CONSOLIDATED PLAN

PRIORITY NEEDS SUMMARY TABLES

PRIORITY HOUSING NEEDS			Priority Need Level		
		% of median	0-30%	31-50%	51-80%
RENTER	Small Related	Cost Burden >30%	High	Medium	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
	Large Related	Cost Burden >30%	High	Medium	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
	Elderly & Special Needs	Cost Burden >30%	High	High	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
OWNER			Cost Burden >30%	High	Medium
			Cost Burden >50%	High	Medium
			Substandard	High	Medium
			Overcrowded	High	Medium
PRIORITY HOMELESS NEEDS			Priority Need Level		
		Families	Individuals	Persons w/ Special Needs	
Assessment/outreach		Medium	High	High	
Emergency Shelter		Medium	Medium	Medium	
Transitional Housing		Medium	Medium	High	
Permanent Supportive Housing		High	High	High	
Permanent Housing		High	High	High	
PRIORITY COMMUNITY DEVELOPMENT NEEDS					
PUBLIC FACILITIES		Priority Need Level	INFRASTRUCTURE IMPROVEMENTS		Priority Need Level
Senior Centers		Medium	Flood Drainage		Medium
Neighborhood Facilities		Medium	Water & Sewer		Medium
Child Care Centers		Medium	Street		Medium
Parks/Recreation		Medium	Sidewalk		Medium
Health Facilities		Medium	Sewer		Medium
Parking Facilities		Medium	Asbestos Removal		Medium
Planning		Medium	Telecommunications		Medium
Other Public Facilities		Medium	Other		Medium
Non Residential Historic Preservation		Medium			

Part VI: Outcome Measurement System

HUD's pending revisions to the Consolidated Plan regulations include the requirement that "Each State provide outcome measures for activities included in its action plan in accordance with guidance to be issued by HUD." The Department of Commerce anticipates addressing this requirement by using the template being developed by the Joint Grantee/HUD/OMB Outcome Measurement Working Group. The system establishes three Overarching Objectives, three Outcome Categories, and a specified list of Output Indicators. These three components are combined to create outcome measurements for HUD Consolidated Annual Performance and Evaluation Reporting.

Households & Persons to be Assisted With Housing Resources 2005-2006

AGGREGATE GOALS—HUD AND STATE HOUSING PROGRAMS

Assistance Provided by Income Group	Renters	Owners			Homeless		Non-homeless Needs (G)	TOTAL (A+D+E+F)
	Total Renters (A)	Existing Homeowners (B)	Home Buyers (C)	Total Homeowners (D) = (B)+(C)	Individuals (E)	Families (F)		
Extremely Low Income (0-30% of MFI)	1,700	300	40	340	18,000	8,000	420	28,460
Low Income (31-50% of MFI)	550	350	330	680	5,000	3,100	130	9,460
Moderate Income (51-80% of MFI)	150	300	380	680	700	500	50	2,080
Middle Income (over 80% of MFI)	0	0	0	0	300	400	0	700
TOTAL	2,400	950	750	1,700	24,000	12,000	600	40,700

ⁱ Housing problems include cost burden ≥30% of income and/or overcrowding and/or without complete kitchen or plumbing.